

1964

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RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

## SITUATION IN VIETNAM

(Mr. SHRIVER (at the request of Mr. HARVEY of Michigan) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SHRIVER. Mr. Speaker, yesterday the President sent up a request to the Congress for an additional \$125 million in economic and military assistance for Vietnam to help thwart Communist aggression. I am prepared to support this and any other action by the administration which would help send the Vietcong into retreat and lead to a crystallization of U.S. policy in southeast Asia.

There is growing concern among the people of this country regarding this Nation's role in the conduct of the war in Vietnam. The people are confused by an apparent "no win" policy currently followed by the administration. Not so long ago we were witness to an administration policy which brought about the the neutralization and then the loss of Laos to the Communists.

On February 17, 1964, the Secretary of Defense, in testimony before the House Defense Subcommittee on Appropriations, spoke of the United States taking all necessary measures within its capability "to prevent a Communist victory" in Vietnam. Why do we continue to limit our forces to prevention of a Communist victory instead of outright defeat of Communists in Vietnam? Communist fires are burning in Vietnam. It is too late for fire prevention. We must either commit ourselves to putting out the fire or leave the scene.

The United States has more than money and arms committed to the conflict in Vietnam. There are 16,000 Americans who are in Vietnam to help the Vietnamese defend their freedom. It is immaterial whether we call these U.S. military men "instructors," "advisers," and so forth. We are totally obligated to safeguard and insure their lives and their mission as long as they remain in Vietnam.

Many Members of Congress, including myself, have been greatly disturbed by newspaper and magazine reports, and letters from parents, wives and families concerning the military equipment which is available there. There has been particular criticism of the obsolete aircraft in which our pilots must fly.

The war in Vietnam has been described by the Secretary of Defense as a counterinsurgency campaign. We recognize that such warfare requires special military equipment designed to meet particular situations.

The Air Force has been conducting tests on certain aircraft to determine their capabilities for counterinsurgency missions. Prompt consideration should be given to accelerating these tests and the possibility of dispatching such air-

craft to Vietnam should be carefully weighed.

Tomorrow the House Armed Services Committee will have an opportunity in executive session to question the Secretary of Defense regarding the situation in Vietnam. I am confident the committee will secure assurances that U.S. military forces are equipped with modern and adequate weapons to successfully achieve their mission in Vietnam.

## INDEPENDENCE DAY IN RUMANIA

(Mr. BOB WILSON (at the request of Mr. HARVEY of Michigan) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BOB WILSON. Mr. Speaker, on the 10th of May free Rumanians around the world celebrated independence day in their homeland. This date marks three important events in the history of Rumania.

In 1866, it was the day of the proclamation that Charles would be Prince of Rumania. Fifteen years later, Charles I was crowned King of Rumania. On this date in 1877, Rumania proclaimed her independence and freedom from the Ottoman Empire.

Today, Mr. Speaker, in Rumania itself, these anniversaries of independence cannot be openly celebrated. The long arm of the Soviet Union has reached out and brought Rumania under its control. The Communists have changed the traditional independence day celebration from May 10 to May 9—which is the anniversary of the Soviet victory.

But it is the May 10 observance that freedom-loving Rumanians, in their hearts, celebrated yesterday. Americans and the free world joined with them on the occasion to look ahead to the time when the Rumanian people will be free again.

## HIGH PRESSURE SELLING OF CAMPAIGN-DINNER TICKETS TO CIVIL SERVICE EMPLOYEES

(Mr. NELSEN (at the request of Mr. HARVEY of Michigan) was given permission to extend his remarks at this point in the RECORD and include extraneous matter.)

Mr. NELSEN. Mr. Speaker, I reported to the House yesterday that I was writing to the President regarding the high pressure selling of campaign-dinner tickets to civil service employees, and I announced my intention to place my letter in the RECORD. Accordingly, under unanimous consent, I insert my letter to the President at this point in my remarks.

The PRESIDENT,  
The White House.

MY DEAR MR. PRESIDENT: In recent months, I have had a number of disturbing letters and calls from Government employees, particularly in the Rural Electrification Administration which I formerly headed, concerning the brazen efforts to solicit campaign funds from civil service workers. News stories of the last 2 days indicate these fundraising efforts are again widespread in Government agencies.

You perhaps recall that I served more than 3 years as Administrator of REA, during which time we followed a firm rule that the spirit and letter of the law and regulations governing political activities and contributions were to be rigidly observed. This was standard practice for years before I assumed the office, and for a number of years after I resigned. However, from the reports reaching me, it appears that these practices have now been abandoned.

My great concern is that the program of the REA, in which you have long shown a deep interest and which has developed through bipartisan support and a determination that it be kept free of political taint, is threatened by the attitudes and actions which apparently have become prevalent.

You are aware, naturally, of the civil service rules which prohibit solicitation of political funds, or selling of political party dinner tickets in Federal buildings, and that employees are barred from soliciting political contributions or party dinner tickets. Also, you will recall, section 9 of the original REA Act, passed in 1936, was explicit in requiring that "This act shall be administered entirely on a nonpartisan basis, and in the appointment of officials, the selection of employees, and in the promotion of any such officials or employees, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency." Violators are subject to removal from office by the President.

Section 9, which is still a part of the REA Act, was adopted on the insistence of Senator George Norris, the great liberal from Nebraska, who told the Senate that a similar provision was written into the Tennessee Valley Authority Act of which he was the father. He told the Senate that "members of TVA tell me that it has been one of the most beneficial parts of the act—it has enabled them to keep their organization above and free from politics." When Senator Norris included section 9 in the Rural Electrification Administration Act, it was clearly his intent that REA should be administered and developed on a nonpolitical basis and that this should be the intent of the Congress in creating REA for the benefit of the farmers of America.

It has seemed to me, Mr. President, that the Norris tradition and insistence have been major factors in giving the REA program its stature and strength. When the Administrator takes a hand in partisan politics and actively campaigns in defiance of years of tradition and policy in the agency, and when he sanctions such activities as those which have come to my attention, he is doing great harm to an outstanding program.

I am going to take the liberty of citing some cases, although you will appreciate that it is necessary to protect employees who have brought their complaints to me:

No. 1: An REA employee received a letter at home inviting him to contribute \$100 to the Democratic Party shortly before the 1961 inaugural. When he failed to respond to the letter and to telephone calls, he was summoned to the office of the Deputy Administrator. Here is his story:

"The Deputy Administrator made the appointment at 3 p.m. during a regular working day. He reviewed the salary situation and my then recent appointment to the power supply division, implying that my salary, the then new congressional wage scale, and civil service grade classification were solely due to the efforts of the Administrator, the Secretary of Agriculture, and the Administration, and further, that out of gratitude I should financially support the party with a cash contribution of \$100. A ticket was then taken from a drawer in his desk and offered. I was advised that if necessary I could buy it on the installment

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plan. I replied that I had worked for REA for 24 years and never publicly affiliated myself with either political party, and wasn't about to break that precedent. I thought I had earned my salary and would continue to work faithfully and conscientiously up to the limit of my ability.

No. 2: Another REA employee reports this to me:

"Received in my mail a one hundred dollar request to attend the second inaugural salute dinner." Frankly, I am experiencing more than a slow deep burn deep down inside. Let's examine this latest attempt by the Democratic National Committee to extract extortion from civil service employees. It is a fact and can be proved that the deputy administrator and one of the assistant administrators called practically all employees GS-13 and above to their offices and personally handed them the invitations with a not subtle request to attend. Take note, this was a direct violation of the Hatch Act since this solicitation occurred in their offices. There were many grumbings among those good Democrats because of the way in which this was handled, and, surprisingly, some of them had the courage to turn this invitation down. One employee who has been here since the agency started stated that in all the years here he had never been called to kick in. This is a top employee."

No. 3: And, to demonstrate that the practice goes on, here is one that came to me just a few days ago:

"For your information, the same two people are doing the same things they have done here since 1961. Again they are calling employees GS-13 and up to their offices, handing them the invitations and accepting their checks for \$100—right here in a Federal building."

It is more than a year since these practices were brought to the attention of the Secretary of Agriculture. I told the House then that "If the Administrator's office is to be used for a partisan political instrument, it certainly follows that bipartisan support for the program would be damaged." It seems to me that this is even more true today when REA is subject to attack from some quarters.

I suggest, Mr. President, that you give this matter your attention in the interest of the REA program and the integrity of our civil service system.

Sincerely yours,

ANCHER NELSEN,  
Member of Congress.

#### CONSTRUCTIVE CRITICISM OF ARA FROM ONE OF ITS ORIGINAL SUPPORTERS

(Mr. WIDNALL (at the request of Mr. HARVEY of Michigan) was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WIDNALL. Mr. Speaker, it is my understanding that before too long the House will again be asked to provide additional authorization for the Area Redevelopment Administration, a request which was denied last June by this body. Considering the amount of attention that has been focused upon the poverty problem, and the fanfare for other administration programs in this field, it is remarkable that the ARA has received almost no mention or support from the administration in recent months. The sorry record of that agency over the first 3 years of its existence, doubtless, has played a part in the reluctance to burden other programs with its image.

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reports, and the press, have detailed a number of indictments against the area redevelopment program, particularly as it is now administered. I have contributed my share to making this a matter of public record. On my part, and on the part of many other critics of the ARA, this has not been the end of our efforts. Constructive suggestions can and have been made, both as to improvements within the ARA program and the basic act itself, and as supplements to any kind of government action of a direct nature.

To this end, I wish to call attention to the constructive criticisms offered by Dr. Sar A. Levitan, research professor of economics at George Washington University, and a consultant to the Upjohn Institute for Employment Research. Dr. Levitan was an early supporter of ARA, and still believes that some program of this kind on the Federal level has merit, a position that many would find debatable. He does, however, find a number of things wrong with the present program, and he offers several interesting suggestions as supplements to any such program.

Dr. Levitan's observations are contained in an article appearing in the April 1964 issue of *Challenge*, the magazine of economic affairs, published by the Institute of Economic Affairs of New York University. The article is based on material from the author's most recent book, "Federal Aid to Depressed Areas," a study financed by the Ford Foundation.

According to Dr. Levitan:

The dilution of the program of aid to depressed areas has possibly been ARA's most serious defect.

After noting that one-third of the counties in the United States, or roughly 1,000 in all, have been declared eligible under the loosely drawn definitions of a "depressed area" in the act, Dr. Levitan continues:

Given the limited resources allocated to the program, a choice of priorities must be made. If too many areas become eligible to receive special assistance, it is not likely that truly depressed areas will be the real beneficiaries; areas which are economically more viable but still classified as depressed are likely to reap the benefits of the program, and the economic gains that might be derived from Federal aid would thus be reduced and minimized.

It is fair to note, at this point, that in 1961, when the Area Redevelopment Act was passed, I offered as a substitute a bill which would have limited, by definition, the potential recipients of this aid to those truly in need of assistance. Although narrowing the definition, my bill would have provided the needy areas with 50 percent more assistance in the industrial loan program than the bill which was passed. Instead, 3 years later, the funds have been diluted in their effect, and so little has been accomplished that the administration must now offer an even larger poverty package to help cure the problems left unattended in 1961.

Unfortunately, the poverty bill contains such a poverty of ideas that it not only does not meet the problems encountered under the ARA program, it

compounds them. Loans are authorized to businessmen without any regard to definitions or guidelines, and without any attempt to pinpoint their effect geographically. The depressed areas are again being sold a bill of goods in an election year.

Dr. Levitan points out that the retraining provisions of the Area Redevelopment Act have been made rather obsolete in terms of attracting industry into depressed areas since the Manpower Retraining Act. The latter covers the entire country, and, I might add, was a product of bipartisan cooperation, unlike the present approach to the poverty program undertaken by the Democratic majority.

He also notes that the 4-percent interest rate on industrial loans provides little incentive for established businesses to move into depressed areas, and suggests some form of tax incentive. Tax amortization has been proposed by the Committee for Economic Development, a business group, and has been used successfully in other countries including West Germany. Or a higher investment tax credit for these areas could be provided.

Again, I believe it appropriate to stress the fact that Republican Members of the House have already proposed accelerated amortization deductions for new or expanded industrial and commercial plants in depressed areas. As I noted when I introduced my own bill for this purpose, H.R. 8525, last September, it is ironic that we have provided tax incentives to businesses willing to locate in foreign countries designated as underdeveloped, while ignoring the use of the same incentives here at home. Similar bills have been introduced by my colleagues, Representative ARCH A. MOORE, JR., of West Virginia, and Representative ROBERT TAFT, JR., of Ohio.

I have heard enough of the political drumbeating in this so-called war on poverty. It is time to begin a meaningful debate, with constructive alternative suggestions and criticisms being given their due by the administration and the press.

Dr. Levitan's article in *Challenge* follows:

#### A VALIANT ATTEMPT TO DO TOO MUCH

(By Sar A. Levitan)

The Area Redevelopment Act was the first major piece of legislation John F. Kennedy signed after assuming the Presidency in 1961. Prolonged congressional debate over Federal aid to depressed areas prior to the bill's enactment touched upon several crucial economic and philosophical issues regarding the proper role of Government in stimulating economic activity. The controversy continues, and the scope and the future of the program remain in doubt though almost 3 years have passed since the legislation was signed on May 1, 1961.

Briefly, the Area Redevelopment Act authorizes the expenditure of \$375 million to stimulate economic activity and to construct needed public facilities in areas of high chronic unemployment. The bulk of the funds (\$300 million) is earmarked for long-term loans, and the balance can be distributed in the form of grants to communities. In addition, the Area Redevelopment Act provides for a modest training program to teach unemployed workers in depressed areas new skills and authorizes annual expenditures of \$4.5 million for technical assistance. The purpose of the latter program